Extra No. 20

©

सत्यमेव जयते

The Gujarat Government Gazette

EXTRAORDINARY

PUBLISHED BY AUTHORITY

Vol. LXVII] TUESDAY, MARCH 24, 2026 / CHAITRA 3, 1948

Separate paging is given to this part in order that it may be filed as a Separate Compilation.

PART V

Bills introduced in the Gujarat Legislative Assembly

The Following Bill which was introduced on the 24th March, 2026 by Shri Gopal Italia, M.L.A. is published under rule 127-A of the Gujarat Legislative Assembly Rules for general information.

THE ELECTRICITY (GUJARAT AMENDMENT) BILL, 2026.

GUJARAT BILL NO. 20 OF 2026.

A BILL

to provide for the statutory recognition of compensation and the mandatory grant of Solatium for the creation of Transmission Corridors, and to amend the Electricity Act, 2003 in its application to the State of Gujarat.

WHEREAS, it is expedient to provide for the acquisition of the Right of Way and for the determination of fair compensation for the land and severance caused by the installation of electricity transmission infrastructure;

AND WHEREAS, the existing framework under the Indian Telegraph Act, 1885, is found to be grossly inadequate in compensating the landowners for the loss of development rights and marketability of their holdings;

AND WHEREAS, it is necessary to bring parity between underground pipeline acquisitions and overhead transmission easements;

It is hereby enacted in the Seventy-seventh Year of the Republic of India as follows : -

Short Title and Commencement.

1. (1) This Act may be called The Electricity (Gujarat Amendment) Act, 2026.

(2) It extends to the whole of the State of Gujarat.

(3) It shall come into force on such date as the State Government may, by notification in the *Official Gazette*, appoint.

Amendment of Section 2 of 36 of 2003.

2. In The Electricity Act, 2003 (hereinafter referred to as the "principal Act"), in section 2, -

(i) After clause (13), the following clause shall be inserted, namely:-

"13-A. "Compensation" includes—

(i) amount of compensation which includes solatium, any enhanced compensation ordered by the Collector and interest payable thereon and any other amount determined as payable to the land owner by such Collector;

(ii) Demurrage to be paid for damages or loss caused to the standing crops, horticulture or trees damaged or felled in the process of installation and maintenance of power grid line;";

(ii) After clause (37), the following clause shall be inserted, namely:-

"37-A. "land owner" includes any person, —

(i) Whose name is recorded as the owner of the land or building or part thereof, in the records of the authority concerned; or

(ii) any person who is granted forest rights under the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 (2 of 2007) or under any other law for the time being in force;";

(iii) After clause (42), the following clause shall be inserted, namely:-

"42-A. "market value" means the value of land determined in accordance with section 26 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013;";

(iv) After clause (49), the following clause shall be inserted, namely:-

"49-A. "Power Grid Line" means dedicated transmission line, electric line, electric plant, electric system, overhead line and power system;";

(v) After clause (58), the following clause shall be inserted, namely:-

"58-A. "Right of Way" means the legal authority granted under this Act to the Government, Licensee, or Authorized Person to enter upon any land to survey, lay, install, operate, and maintain power grid line, without transferring ownership, subject to minimal damage and payment of fair compensation;".

Substitution of Section 164 of 36 of 2003.

3. In the principal Act, for section 164, the following section shall be substituted, namely: —

Publication of notification for acquisition of right of way.

"**164.** (1) Whenever it appears to the State Government that it is necessary in the public interest that for the transmission of electricity, placing of power grid line for the transmission of electricity or, as the case may be, electricity from point to point transmission, power grid lines may be laid by the State Government, or, licensee or any other person engaged in the business of supplying electricity under this Act and that for the purpose of laying such power grid line, it is necessary to acquire the right of way in any land under which such power grid line for the transmission of electricity, may be laid, it may, by notification in the *Official Gazette*, declare its intention to acquire the right of way therein.

(2) Every notification under sub-section (1) shall contain a description sufficient to identify the land and shall specify the exact geographical location of the infrastructure situated or proposed thereon with longitude and latitude details.

(3) The competent authority shall cause the substance of the notification to be published at such places and in such manner as may be prescribed.".

4. In the principal Act, after section 164, the following sections shall be inserted, namely: —

Insertion of New Sections 164-A, 164-B, 164-C, 164-D, 164-E, 164-F and 164-G in 36 of 2003.

Hearing of Objections.

"**164-A.** (1) Any person interested in the land may, within thirty days from the date of the publication of notification under sub-section (1) of section 3, object to the placing of power grid line for the transmission of electricity, in the land.

(2) Every objection shall be made to the District Collector in writing and shall set out the grounds thereof and the District Collector shall give the objector an opportunity of being heard either in person or by a legal practitioner and may, after hearing all such objections and after making such further inquiry, if any, as that authority thinks necessary, by order either allow or disallow the objections.

(3) Any order made by the District Collector under sub-section (2) shall be final.

Power to enter, survey, etc.

164-B. On the issue of a notification under sub-section (1) of section 3, it shall be lawful for any person authorized by the State Government or, as the case may be, the licensee or any other person engaged in the business of supplying electricity under this Act which proposes to lay power grid line for the transmission of electricity.

(a) to enter upon and survey and take levels of any land specified in the notification;

(b) to dig or bore into the sub-soil;

(c) to set out the intended line of work;

(d) to mark such levels, boundaries and line by placing marks;

(e) where otherwise survey cannot be completed and levels taken and the boundaries and line marked, to cut down and clear away any part of any standing crop, fence or jungle; and

(f) to do all other acts necessary to ascertain whether power grid line for the transmission of electricity can be laid over the land:

Provided that while exercising any power under this section, such person shall cause as little damage or injury as possible to such land.

Declaration of acquisition of right of way.

164-C. (1) Where no objection under sub-section (1) of section 164-A has been made to the competent authority within the period specified therein or where the competent authority has disallowed the objections under sub-section (2) of that section, that authority shall, as soon as may be, submit a report accordingly to the State Government and upon receipt of such report, the State Government shall declare, by notification in the Official Gazette, that the right of way in the land for laying the power grid line shall be acquired.

(2) On the publication of the declaration under sub-section (1), the right of way in the land shall vest absolutely in the State Government free from all encumbrances.

(3) Where in respect of any land, a notification has been issued under sub-section (1) of section 164-A, but no declaration under this section has been published within a period of six months from the date of that notification, that notification shall cease to have effect on the expiration of the said period.

(4) Notwithstanding anything contained in sub-section (2), the State Government may, on such terms and conditions as it may think fit, to impose, direct by order in writing that the right of way in the land for laying the power grid line for the transmission of electricity shall, instead of vesting in the State Government, vest, either on the date of publication of the declaration or, on such other date as may be specified in the order, in the licensee or any other person engaged in the business of supplying electricity proposing to lay the power grid line for the transmission of electricity and thereupon the right of such way in the land

shall, subject to the terms and conditions so imposed, vest in that licensee or any other person engaged in the business of supplying electricity free from all encumbrances.

Laying of power grid line for the transmission of electricity.

164-D. (1) Where the right of way in any land has vested in the State Government or, as laying of the case may be, the licensee or any other person engaged in the business of supplying electricity under section 164-C power grid line for the transmission of electricity:

(i) it shall be lawful for any person authorized by the State Government or, as the case may be, the licensee or any other person engaged in the business of supplying electricity, to enter upon the land and lay power grid line for the transmission of electricity or to do any other thing necessary for the laying of power grid line for the transmission of electricity:

Provided that no power grid line for the transmission of electricity shall be laid over -

(a) any land which, immediately before the date of the publication of notification under sub-section (1) of section 164-A, was used for residential purposes; or

(b) any land on which there stands any permanent structure which was in existence immediately before the said date; or

(c) any land which is appurtenant to a dwelling house; or

(d) any land at a depth which is less than one metre from the surface; and

(ii) such land shall be used only for laying the power grid line for the transmission of electricity and for maintaining, examining, repairing, altering or removing any such power grid line for the transmission of electricity or for doing any other thing necessary for any of the aforesaid purposes or for the utilization of such power grid line for the transmission of electricity.

(2) If any dispute arises with regard to any matter referred to in paragraph (b) or (c) of the proviso to clause (i) of sub-section (1), the dispute shall be referred to the competent authority whose decision thereon shall be final.

Power to enter land for inspection, etc.

164-E. For maintaining, examining, repairing, altering or removing any power grid line for the transmission of electricity, or for doing any other thing necessary for the utilization of the power grid line for the transmission of electricity or for the making of any inspection or measurement for any of the aforesaid purposes, any person authorized in this behalf by the State Government or, as the case may be, the licensee or any other person engaged in the business of supplying electricity may, after giving reasonable notice to the occupier of the land under which the power grid line for the transmission of electricity has been laid, enter therein as may be necessary:

Provided further that, while exercising any powers under this section, such person, shall cause as little damage or injury as possible to such land.

Restrictions regarding the use of land.

164-F. (1) The owner of the land with respect to which a declaration has been made under sub-section (1) of section 164-C, shall be entitled to use the land for the purpose for which such land was put to use immediately before the date of the notification under sub-section (1) of section 164-A:

Provided that such owner shall not after the declaration under sub- section (1) of section 164-D

(i) construct any building or any other structure;

(ii) Construct or excavate any tank, well, reservoir or dam; or

(iii) Plant any tree,

on that land.

(2) The owner of the land under which any power grid line for the transmission of electricity has been laid shall not do anything or permit anything to be done which will or is likely to cause any damage in any manner whatsoever, to the power grid line for the transmission of electricity.

(3) Where the owner of the land with respect to which a declaration has been made under sub-section (1) of section 164-D,-

(a) Constructs any building or any other structure, or

(b) Constructs or excavates any well, tank, reservoir or dam, or

(c) Plants any tree,

on that land, the District Collector within the local limits of whose jurisdiction such land is situate may, on an application made to it by the competent authority the District Collector shall set out the grounds thereof and shall give the land owner an opportunity of being heard either in person or by a legal practitioner and may, after hearing all such objections and after making such further inquiry, if any, as that authority thinks necessary, by order either allow or disallow the objections and after holding such inquiry, as it may deem fit, cause the building, structure, reservoir, dam or tree to be removed or the well or tank to be filled up.

Compensation.

164-G. (1) Upon the issuance of a notification under section 164 of this Act, 2003, the licensee or any other person engaged in the business of supplying electricity shall be liable to pay compensation for any loss, damage, or injury caused in the exercise of the powers conferred thereby, and such compensation shall be determined and paid on the basis of the prevailing market value of the land affected, notwithstanding anything contained in the Telegraph Act, 1885;

Provided that the 'Market Value' of the land shall be determined in the same manner as provided under Section 26 of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (Central Act 30 of 2013), ensuring that the compensation is based on the prevailing real market rates and not merely on the registered valuation.

(2) The landowner shall be entitled to receive compensation equivalent to fifty percent of the total market value of the land in question. It shall be paid within the timeframe stipulated by the District Collector. All consequential rights and obligations arising out of this award shall accrue to the landowner, and the payment shall be made before starting the actual work of laying of power grid line. Any entry upon the land without the satisfaction of the award shall be deemed Statutory Trespass, rendering the licensee liable for exemplary damages.

(3) Upon the land being required for the optimal or intended public purpose and upon utilization of at least fifty per cent of the total area of the said land for the project or undertaking, the landowner shall become entitled to receive the balance compensation. Such balance compensation shall be computed as equivalent to fifty per cent of the market value of the land prevailing on the date when such condition of utilization is satisfied, after deducting therefrom the amount of compensation already paid to the landowner.

Further, upon the laying of the power grid line, the ownership rights, title, and interest in respect of the portion of the land over which the said line has been laid shall stand vested in the licensee or any other person engaged in the business of supplying electricity laying of the line, free from all encumbrances, subject to the payment of compensation as aforesaid.

(4) The ownership of the land shall continue to vest with the original owner, subject to the perpetual Right of Way granted to the licensee for the operation and maintenance of the transmission infrastructure.”.

STATEMENT OF OBJECTS AND REASONS

The Electricity Act, 2003 provides the legal framework for the generation, transmission, and distribution of electricity in the State of Gujarat. With the expansion of transmission infrastructure, it has been observed that the existing provisions, particularly under the Indian Telegraph Act, 1885, do not adequately compensate landowners for diminution of land value, severance, and other consequential losses arising from the laying of power grid lines.

It is, therefore, expedient to provide for the statutory recognition of diminution of land value and the mandatory grant of solatium to landowners whose land is affected. The Bill seeks to ensure that affected landowners receive just and fair compensation for loss of development rights, marketability, standing crops, horticulture, or trees damaged or felled during installation and maintenance of transmission infrastructure.

The Bill also aligns the acquisition of rights for overhead transmission easements with that for underground pipelines, rectifying existing anomalies. It empowers the State Government, licensees, or other authorized persons to acquire the Right of Way over land for transmission purposes, subject to minimal damage and payment of compensation determined on the basis of prevailing market value, including solatium.

Procedural safeguards are provided, including rights of objection, inquiry by competent authorities, and final determination of compensation by the Collector, while preserving the residual rights of landowners.

The Bill seeks to amend the Electricity Act, 2003, for the State of Gujarat, facilitating infrastructure development in the public interest with equitable treatment of affected landowners.

Hence this bill.

Dated the 16th February, 2026 **GOPAL ITALIA,**

Gandhinagar. **M.L.A.**

MEMORANDUM REGARDING DELEGATED LEGISLATION

This Bill involves delegation of legislative powers in the following respects, namely: -

Clause 1.- Sub-clause (3) of this clause empowers the State Government to appoint, by notification in the Official Gazette, the date on which the Act shall come into force.

The delegation of legislative powers as aforesaid is necessary and is of a normal character.

Dated the 16th February, 2026 **GOPAL ITALIA,**

Gandhinagar. **M.L.A.**

FINANCIAL MEMORANDUM

The Bill when enacted and brought into operation may involve expenditure from the Consolidated Fund of the State. It is not possible at this stage to estimate with any degree of accuracy the expenditure to be incurred from the Consolidated Fund of the State as a result of the proposed legislation.

Dated the 16th February, 2026 **GOPAL ITALIA,**

Gandhinagar. **M.L.A.**

CHETAN PANDYA,

Dated the 24th March, 2026 **Secretary,**

Gandhinagar. **Gujarat Legislative Assembly.**

Signature Not Verified
Signed by : BHOLUSINGH G THAKUR
Senior Manager
Government Central Press, Gandhinagar
Date : 2026.03.25 15:43:46 IST